



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

April 20, 2012

Assembly Member Mike Gatto
California State Capitol
Sacramento, CA 95814

RE: Opposition to Assembly Bill 2540 (Gatto)

Dear Assembly Member Gatto:

I am writing to express my strong **opposition** to Assembly Bill 2540.

AB 2540 would expand Sales and Use Tax Law to impose a tax on specified services. The bill expands the tax base to include things such as massage, live theater productions, personal shopping, party planning services, pet grooming, and tarot card reading.

Implementation costs to the state would be great, but the burden on these service providers and their customers would be even greater. While proponents argue that an overall expansion of the tax base will provide greater stability, in reality this measure chooses winners and losers in defining what services would become taxable and piles on additional burdens to already overburdened California businesses.

For all of these reasons, I am opposed to Assembly Bill 2540.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Runner".

GEORGE RUNNER